

Rates and Rules *for* Farm Property

Fire, Lightning, Hail
and
Tornado Insurance

in
Manitoba, Saskatchewan, Alberta
and the
North-West Territories

Effective October 1, 1944

Fire Branch
The Western Canada Insurance Underwriters'
Association
Winnipeg - Manitoba

This schedule becomes effective October 1, 1944, and no rebates will be allowed on policies in force prior to this date, nor shall policies be cancelled with a view to obtaining the benefit of any rate reduction brought about by this schedule unless at short term rate.

FARM RATES AND RULES

CLASSIFICATION OF WALL CONSTRUCTION

Class 1—Brick, stone, hollow tile, hollow tile brick-veneered, solid concrete or concrete block.

Class 2—All other classes of construction not designated in Class 1.

CLASSIFICATION OF ROOFS

Standard—Metal, tile, slate, asphalt, asbestos and composition shingles (individual or cut out of strips or rolls).

Non-Standard—Wood shingles, tarpaper and all other types of roof coverings not designated as “standard”.

Permission may be granted, without extra charge, for the completion of farm buildings in course of construction.

THREE-YEAR BASIS RATES

(For Annual Policies, see page 6 for method of rating)

	Class 1	Class 2
Dwellings (Buildings and Contents).....	.90	1.10
Barns and all other Buildings (except dwellings) of whatever construction....	---	1.10

Deductions

The following deductions may be taken from the above basis rates, subject to Standard Farm Property Form 7A:

	Deductions from above Basis Rates
1. Roofing of standard material.....	.10
2. (a) All chimneys of brick construction built from the ground and resting on solid masonry foundation or footings (applicable to dwellings only).....	.10
(b) The same as above but in addition with flue tile lining for the entire length of chimney15
Note. —Credits 2(a) and 2(b) are not cumulative.	
3. (a) A full basement with a stone, concrete or brick foundation having steam or hot water heating plant located therein (applicable to dwellings only).....	.10
(b) Same as above but with hot air heating plant05

	Deductions from above Basis Rates
4. Buildings equipped with lightning rods of approved material10
5. Electricity used for lighting purposes.....	.03
Maximum reduction not to exceed .35 for three years.	

Additional Charges

The additional charges outlined below shall be added to the three-year rates obtained after the foregoing deductions have been taken.

	Three-year Charges
1. *If metal chimney installed	1.50
2 *If earthenware or standard air space or tile chimney installed50
3. If roof of pole, straw thatch, tar paper or other inferior materials	1.50
*NOTE.—This charge must be made whether the chimney is in use or not, or whether in main building or addition attached thereto.	

FARM PROPERTY OTHER THAN ABOVE

Farm Produce—While contained in specific buildings and in stacks wholly within 100 feet thereof, but not within 100 feet of a dwelling

Bldg. Rate

Farm Produce—Cut, uncut or in stacks (excluding hay) anywhere on the land described in application, but not within 100 feet of dwelling, and subject to the following average distribution clause

Annual Rate 1.00

AVERAGE DISTRIBUTION CLAUSE

In consideration of the rate at which this policy is written it is hereby declared and agreed that in the event of fire this insurance shall be held to cover and attach on all farm produce above described in the proportion that the value at one location bears to the value at all locations at the time of the fire.

WARNING—When the above clause is used, a policy must have printed or stamped across its face, in large type, and in Red Ink, the words: "THIS POLICY CONTAINS A LIMITATION OF LIABILITY CLAUSE," and if these words are not printed or stamped, such clause is not, according to the Insurance Act, legally binding on the Insured.

Hay in Stacks—Anywhere on the land described in application, subject to the average distribution clause

Annual Rate 4.00

Short rate to apply on Short Term Policies or Cancellations.

Grain in Granaries—

Period		Period	
1 month	.08	7 months	.30
2 months	.12	8 "	.32
3 "	.16	9 "	.34
4 "	.20	10 "	.36
5 "	.24	11 "	.38
6 "	.28	12 "	.40

Where contained in more than one building, the Average Distribution Clause must be applied.

Live Stock—Covering a specific limit per head against loss by fire or lightning while in any building on the lands described in application or anywhere while in the open, or while stabled temporarily anywhere (except while in transit by common carrier or in public stockyards).....Three-year Rate .75

Farm Implements—Vehicles, Harness, Robes, Stable Utensils, Tools, Bags (excluding Stationary Engines, Tractors, Threshing Machines, Threshing Combines, and Automobiles) while contained in any building on the farm and elsewhere on above described land, or while temporarily off the premisesThree-year Rate .75

Engines (stationary)—Must be insured separately and in specified buildings.....Bldg. Rate

Tractors (Farm)—To be insured specifically and may be written while stored in any building on the farm and in the open anywhere.....Three-year Rate 1.00

***Threshing Combines or Reaper Threshers**—Specific amount to be placed on each machine.
.....Three-year Rate 2.00

*NOTE.—Rates contemplate insurance being carried for a full term and permit the operation of the machine during the harvesting period.

Threshing Machines—Specific amount to be placed on each machine.

1. Threshing Machines (**excluding** cover while in operation) subject to the following warranty
.....Three-year Rate 1.00

"In consideration of the rate of premium charged it is understood and agreed that the threshing machine described in this policy is insured while stored in any building used for farm purposes or while laid up anywhere on the land herein described, and that the insurance under this item becomes void and of no effect immediately the machine is removed for threshing purposes from its usual storage position and remains void until the machine is finally laid up after the termination of threshing operations".

2.*Threshing Machines (including cover while in operation).

- (a) If driven by gasoline or fuel oil engine by means of beltAnnual Rate only 1.25
- (b) If driven by gasoline or oil fuel engine forming part of separator.....Annual Rate only 2.00
- (c) If driven by steam engine.....Annual Rate only 5.00

Three-year insurance may be written at three times the annual rate.

*NOTE.—Rates contemplate insurance being carried for a full term and permit the operation of the machine during the harvesting period.

Prairie Fire Protection

All rates enumerated in this Farm Tariff include coverage from Prairie, Stubble or Bush Fire loss.

ANNUAL POLICIES

Policies covering Farm Property written for a term of one year will take one-half the three-year rate applicable except where annual rates are specifically provided.

ADDITIONAL AMOUNTS

Additional amounts may be added by endorsement to policies for the full balance of the term at pro rata of the rate applying at the time the endorsement is made.

When added after the Extended Term Endorsement becomes effective, the premium charged shall be pro rata of the full three-year rate applicable.

PERMISSIONS

The Standard Farm Form gives permission for the following without extra charge:

“When not in violation of any law, statute or municipal restriction, to use gasoline or kerosene appliances or devices providing the tanks or reservoirs of same do not exceed one gallon capacity and for gasoline engines; also for gasoline or oil-driven vehicles and for not exceeding one gallon of gasoline in excess of that contained in tanks or reservoirs of the said appliances, devices, engines or vehicles”.

If any further extensions, than provided for above, are required, application to be made to the Company.

EXTENDED TERM OPTION AGREEMENT

The following Extended Term Option Agreement may be attached to policies written for a term of twelve months covering Farm Property eligible for three-year term insurance—it shall not be attached to short period policies, nor to policies covering property eligible for annual insurance only:

EXTENDED TERM OPTION AGREEMENT—APPLICABLE TO FARM BUSINESS ONLY

Subject to payment by the Insured to the Company or its authorized agent of a further ONE-YEAR PREMIUM on or before the expiry date of this policy, and to any decrease or increase in premium because of any change in amount, occupation, construction or use THE COMPANY AGREES TO EXTEND THIS POLICY FOR A TERM OF TWO YEARS FROM THE DATE OF EXPIRY for an amount not exceeding the insurance then in effect on each item.

Attached to and forming part of Policy No.....of the.....

Date.....19.....Agent.

EXTENDED TERM ENDORSEMENT

When an insured takes advantage of the Extended Term Option Agreement, the term of the one-year policy, to which it is attached, may be extended for a period of two years—but no further—by the attachment of the following extension endorsement:

EXTENDED TERM ENDORSEMENT—FOR USE ONLY ON POLICIES COVERING FARM PROPERTY

In consideration of the payment of a further premium of \$.....and in fulfilment of the conditions of the Extended Term Option Agreement attached to this policy, the term of this insurance policy is extended two years and shall terminate at noon.....19.....

Attached to and forming part of Policy No.....of the.....

Issued to

Date.....19.....Agent.

VACANCY AND UNOCCUPANCY

(Farm Property)

Should any farm risk upon which insurance is carried become vacant or unoccupied for a period of more than thirty (30) days, the Company or Companies interested must be notified at once, and either Vacancy or Unoccupancy Permit "A" or "B" attached to policies. Permit "B" may be attached free of charge for all risks, but if Permit "A" is used, an extra charge of five cents (5c) per \$100 of insurance per month or fifty cents (50c) per \$100 of insurance per year must be made.

FARM VACANCY OR UNOCCUPANCY PERMIT "A"

In consideration of an undertaking to pay additional premium of \$.....it is hereby understood and agreed that the building(s) herein described may remain vacant or unoccupied for a period of.....from date, and it is further understood and agreed between the Company and the Insured that the building(s) shall be under the supervision and care of some competent person during the term of vacancy or unoccupancy, and the doors and windows shall be securely closed and locked and all rubbish removed from the building(s); otherwise this policy is null and void.

Attached to and forming part of Policy No.....of the.....

Date.....19.....Agent.

†FARM VACANCY OR UNOCCUPANCY PERMIT "B"

It is understood and agreed between this Company and the Insured that the building(s) herein described may remain vacant or unoccupied for a period of.....from date, without extra charge, but in consideration thereof, in case of loss or damage during the term of vacancy or unoccupancy, the liability of this Company shall not exceed two-thirds of the amount the Company would otherwise have been liable for, had the property not become vacant or unoccupied; and it is further understood and agreed between this Company and the Insured that the building(s) shall be under the supervision and care of some competent person during the term of vacancy or unoccupancy; and the doors and windows shall be securely closed and locked and all rubbish removed from the building(s); otherwise this policy is null and void.

Attached to and forming part of Policy No.....of the.....

Date.....19.....Agent.

†WARNING—Whenever this clause is used a policy must have printed or stamped across its face, in large type, and in red ink, the words: "THIS POLICY CONTAINS A LIMITATION OF LIABILITY CLAUSE," and if these words are not printed or stamped, such a clause is not, according to the Insurance Act, legally binding on the Insured.

DEFERRED LOSS SETTLEMENT CLAUSE

A reduction of Twenty per cent. (20%) may be allowed from the final rate applicable to Farm Buildings only if the policy is made subject to the following Deferred Loss Settlement Clause:

This Application and Contract for Deferred Loss Settlement Clause must be signed by the Insured in triplicate, a copy to be attached to both policy and Head Office daily report and one to be retained by the agent.

APPLICATION AND CONTRACT FOR DEFERRED LOSS SETTLEMENT CLAUSE

This condition is hereby made a part of my (or our) application of even date for all insurances therein applied for.

In consideration of the reduced premium at which the aftermentioned policy is written, it is agreed between the.....Insurance Company (hereinafter called the Insurer) and the Insured, as follows:

1. The Insurer shall only be liable under this policy for fifty per cent. (50%) of the amount otherwise payable in respect of any building damaged or destroyed by fire or lightning.
2. Notwithstanding the above limitation the Insurer will pay to the Insured up to an additional fifty per cent. (50%) of such amount otherwise payable with interest on such additional payment at the rate of six per cent. (6%) per annum from the sixtieth day after completion of proofs of loss, if, and when within nine months of the date of the damage or destruction the Insured furnishes evidence satisfactory to the Insurer that the Insured has expended in repairing or rebuilding such building on or within two hundred feet of its site a sum not less than the total sum claimed by the Insured under Clauses (1) and (2) hereof.
3. In case the Insured does not repair or rebuild in accordance with the provisions of Clause (2) hereof the Insurer shall have no liability in respect of loss beyond that set out in Clause (1) hereof; but the Insured shall be entitled to a refund of fifty per cent. (50%) of the premium paid under this policy in respect of the said building on written request therefor.
4. In the event of there being other insurance covering any building included in this policy, the Insurer shall not be liable for more than the above percentages of its rateable proportion of the loss, which shall be payable to the Insured at the times and subject to the same terms and conditions as hereinbefore set out.

This endorsement is hereby made a part of the application of the Insured dated.....for fire insurance on property situate.....in the Province of.....and a part of the policy issued or to be issued pursuant to the said application.

THIS POLICY CONTAINS A LIMITATION OF LIABILITY CLAUSE
(To be printed in red ink)

.....
(Witness as to Insured) (Signature of Insured)
Dated at.....in the Province of.....
this.....day of.....19.....
Attached to and forming part of Policy No.....of the.....
Insurance Company.

.....
(For the Insurer)

NOTE.—The following words must be printed or stamped on the face of the endorsement in conspicuous type and in Red Ink: "THIS POLICY CONTAINS A LIMITATION OF LIABILITY CLAUSE."

TORNADO, CYCLONE AND WINDSTORM

Minimum Premiums—No annual or short period policy shall be written on Farm Property, Dairy Barns or Silos for a premium less than \$5.00 or a three-year policy less than \$7.50.

Farm Property and Dairy Barns (excluding Silos)—

One-year term50
Three-year term75
No reduction for co-insurance.	

A clause assuming liability for damage by hail, when the amount covered by the Hail Clause is at least equal to that covering against Tornado, may be attached to Tornado policies in consideration of an additional premium of 10c per \$100 for one year and 20c per \$100 for three years.

In all cases where it is desired to cover liability for damage by Hail in connection with a Tornado policy, the following clause shall be used:

HAIL CLAUSE

In consideration of an undertaking to pay additional premium of \$.....it is made a condition of this insurance that this policy shall cover any direct loss or damage to the property described herein, caused by Hail, whether accompanied by wind or not; provided, however, that if there shall be any other Tornado insurance on said property, this Company shall be liable only pro rata with such other Tornado insurance for any direct loss or damage caused by Hail, whether such other Tornado insurance covers direct loss or damage caused by Hail or not. It is a further condition of this insurance that this Company shall not be liable for loss or damage caused by Hail to hay, grass or straw in fields or in stacks.

Hail Clause—This clause must not be attached to a fire policy.

Tornado Rates on Silos—Wood, concrete

stave, metal and hollow concrete block	1-year term 3.50
	3-year term 7.00

Reinforced concrete, brick, burned tile or solid concrete block with wood or metal

roof	1-year term 1.00
	3-year term 2.00

NOTE.—Reinforced concrete, brick, burned tile or solid concrete block silos with roofs of same construction should take the regular farm property tornado rate.

N.B.—Tornado risks shall not be covered by an endorsement or rider attached to a fire policy, but distinct tornado policies shall be issued in all cases.

Blanket Cover—Tornado, cyclone and windstorm insurance may be written under blanket form of policy, provided the 60% (or higher) co-insurance clause is attached to policy. If two or more buildings are covered under the same amount the average distribution clause must also be attached. There shall be no reduction in rate for the use of the co-insurance and average distribution clauses whether under specific or blanket policy.



